

## **EXHIBIT B**

<p>1 don't know, sitting here, yes or no, but obviously if I 2 filed it, it would be on EDGAR.</p> <p>3 Q. Did you have an understanding of the 4 requirements of Exchange Act Section 16 as it relates to 5 the disclosure of purchases or sales that you've made in 6 MGT securities?</p> <p>7 A. Yes.</p> <p>8 Q. What was that understanding?</p> <p>9 A. That you were to report purchases or sales 10 within 48 hours and file form 4.</p> <p>11 Q. And how did you gain that understanding?</p> <p>12 A. That's something I knew -- I knew it.</p> <p>13 Q. Now, Mr. Kaplowitz didn't have access to your 14 trading records at either E-Trade or TD Ameritrade, did 15 he?</p> <p>16 A. I don't think so.</p> <p>17 I guess that's a question for Mr. Kaplowitz, 18 but he wouldn't normally have that.</p> <p>19 Q. Fair enough.</p> <p>20 Did you have an understanding of the purpose 21 of form 4, like what disclosure it was meant to provide?</p> <p>22 A. Yes.</p> <p>23 Q. And what was that?</p> <p>24 A. Well, as I said, it's to disclose purchases 25 and sales by section 16 officers and directors in the</p> <p style="text-align: center;">73</p>	<p>1 into EDGAR. I never bothered figuring that out. I 2 don't have a way to input into EDGAR myself.</p> <p>3 Q. You have a service that does that, right?</p> <p>4 A. We have a service for normal filings, and how 5 the lawyer gets it filed I can't tell you for sure, but 6 he probably uses that service, communicates with them, 7 but I'm not saying that this is wrong at all. I mean 8 it's -- I'm sure I reviewed it, and I just say 9 personally I don't file.</p> <p>10 Q. Okay. And where did Sichenzia get the 11 information to fill out these forms?</p> <p>12 A. I think I answered that before, that generally 13 they'll get it from the person. And as far as certain 14 calculations that they may make, they do those either on 15 their own or, you know, kind of check the previous 16 form 4s and, you know, subtract or add as needed.</p> <p>17 Q. And how do they know how to subtract or add as 18 needed?</p> <p>19 A. Based on what I tell them that I did 20 trading-wise.</p> <p>21 Q. All right. So let's look at the first page of 22 Exhibit 16 which is the form 4 dated 10/9, and that 23 shows -- if I'm reading this correctly -- an acquisition 24 of 200,000 shares on October 7, 2015, correct?</p> <p>25 A. Yeah.</p> <p style="text-align: center;">75</p>
<p>1 sale of their securities.</p> <p>2 Q. All right. Let's mark Ladd Exhibit 16, which 3 is found at tab 16.</p> <p>4 (Deposition Exhibit 16 marked.)</p> <p>5 Q. And I'll just explain for the record that this 6 is a composite of three form 4s. The first one we've 7 already looked at in Exhibit 7, which is the -- yeah. 8 No. That's the second one.</p> <p>9 The second one we've already looked at in 10 Exhibit 7, that's the 12/1/2015 form 4. The first one 11 is a 10/9/15 form 4. And the third one is a 12 May 31, 2016, form 4.</p> <p>13 Do you recognize these, Mr. Ladd?</p> <p>14 A. Yes.</p> <p>15 Q. And are they form 4s that you signed?</p> <p>16 A. Well, it's, you know, how they do it 17 electronically, but yes, I approved its issuance.</p> <p>18 Q. That's your electronic signature.</p> <p>19 All right. And is it your testimony that 20 Mr. Kaplowitz or someone at Sichenzia actually filled 21 out these forms and you then reviewed them and approved 22 them?</p> <p>23 A. Right.</p> <p>24 That was normally a certain printing 25 requirement -- like SIC codes and certain ways to get it</p> <p style="text-align: center;">74</p>	<p>1 It's letter code A, but it's a grant of stock. 2 A restricted grant of stock.</p> <p>3 Q. All right. And then in column 5 it says, 4 "Amount of securities beneficially owned following 5 reported transactions," and what's listed there is 6 373,603 shares.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. All right. And there's a Footnote 2, and it 10 says, "Does not include 622,471 shares owned by Laddcap 11 Value Partners III LLC."</p> <p>12 Do you see that?</p> <p>13 A. Yes, I do.</p> <p>14 Q. And that was accurate as of -- that 15 information was accurate as of October 9, 2015?</p> <p>16 A. Yes. I felt it was accurate. Maybe it was 17 off by a few shares, but I believe it's accurate.</p> <p>18 Q. All right. And then let's go to the next one, 19 which we've looked at before, which is the 20 December 1, 2015, and it reflects a sale of 100,000 21 shares on November 30, 2015, right?</p> <p>22 A. Which tab was that? Is that still 16?</p> <p>23 Q. Yep. Second page.</p> <p>24 A. Right.</p> <p>25 And that's -- when I was referring to</p> <p style="text-align: center;">76</p>

<p>1 A. Okay. So the HS Contrarian is John Stetson 2 whom -- I mean, he co-invests with Honig, but I may have 3 met him. 4 Q. Okay. My question is not whether you'd met 5 them, but whether any of these investors came to MGT to 6 invest as a result of any efforts by you and independent 7 of their relationship with Mr. Honig. 8 A. I said that would be then Iroquois and Hudson 9 Bay. 10 Q. Okay. Thank you. 11 All right. So, did there come a time when 12 Mr. Ford wrote another piece on "Seeking Alpha" about 13 MGT? 14 A. Yes. 15 Q. And did you have any interactions with him in 16 connection with that piece? 17 A. I do believe I spoke to him. 18 Q. All right. And that was in April of 2013 that 19 his piece appeared? 20 A. I'll agree to that, yes. 21 Q. And did you speak to him in connection with 22 that article the same few hours that you spoke to him 23 with respect to the November article? 24 A. I -- I don't recall sitting here. I would 25 assume, given his knowledge of the company at that</p> <p style="text-align: center;">237</p>	<p>1 could double within the next couple of weeks." 2 Do you see that? 3 A. Yes. 4 Q. And what was your reaction to that when you 5 read it? 6 A. It's false. 7 Q. In fact, you considered the premise of the 8 whole piece to be completely false; isn't that right? 9 A. I considered the title. I don't know about 10 everything else in there. It's a pretty -- it's quite a 11 long article. 12 Q. Okay. I asked about the premise. 13 MR. FORD: Nancy, do you want to define the 14 premise so that he could respond? 15 MS. BROWN: I'm sorry? 16 MR. FORD: Do you want to just define the 17 premise? 18 The premise being that there's about to be a 19 settlement or settlement discussions? 20 MS. BROWN: Why don't we look at your 302. So 21 Ladd Exhibit 302. 22 THE WITNESS: Yes. 23 BY MS. BROWN: 24 Q. And if we can go to 152974 which, if it helps 25 is page 4 of 9.</p> <p style="text-align: center;">239</p>
<p>1 point, that hopefully it was shorter, but I don't know. 2 Q. All right. And did you talk to Mr. Honig or 3 Mr. Stetson about your interactions with Mr. Ford in 4 connection with his article? 5 A. No. 6 Q. All right. So let's look at the exhibit 7 behind tab 60, which is an exhibit we've previously 8 marked as Holmes Exhibit 15. 9 Do you recognize that? 10 A. Yes. I see that, yes. I recognize it. 11 Q. Okay. That's a "Seeking Alpha" piece that's 12 dated 11 -- sorry, April 11, 2013, by John H. Ford and 13 it's title is, "Is MGT About to Receive a Big 14 Settlement?" 15 So did you see this article at or about the 16 time it was published, April 11, 2013? 17 A. Yes. 18 Q. Did you see any drafts of it prior to its 19 publication? 20 A. I don't believe so. 21 Q. All right. The second full paragraph on the 22 first page says, "Given the huge increase in MGT's 23 recent trading volume, I'm speculating that settlement 24 negotiations are occurring with one of the defendants, 25 WMS Industries. If that is true, MGT's share price</p> <p style="text-align: center;">238</p>	<p>1 A. Okay. 2 Q. And did you tell the FBI in words or 3 substance -- I'm on the third paragraph here, second 4 line -- the second sentence, "upon review Ladd advised 5 that the premise of the article that MGT was in 6 settlement talks regarding its online gaming patent was 7 completely false"? 8 A. That would be true then and it's true now. So 9 I would say the premise, if that's the word you want me 10 to say is the premise of this article, then I would 11 confirm that. 12 Q. Okay. Did you have an understanding of what 13 was causing the huge increase in MGT's trading volumes 14 that Mr. Ford refers to? 15 A. No. I didn't even know that. I guess I'm 16 just reading here it increase -- no. 17 Q. You didn't understand -- 18 A. My answer is no. 19 Q. You didn't understand that the -- 20 A. My -- 21 Q. -- sorry. 22 A. I just want you to repeat the question. I'm 23 sorry. 24 Q. So you didn't understand that the trading 25 volume was, in fact, caused by selling by Barry Honig</p> <p style="text-align: center;">240</p>

<p>1 and others?</p> <p>2 <b>A.</b> I did not know that.</p> <p>3 <b>Q.</b> Okay. So after you saw this article, isn't it</p> <p>4 true that you suspected that Ford might have been</p> <p>5 compensated by Honig or some other MGT investor to write</p> <p>6 it?</p> <p>7 <b>A.</b> It's a theoretical possibility. I think he is</p> <p>8 still long on the stock, so I don't know how much --</p> <p>9 that he was a money manager or what, but, you know,</p> <p>10 people -- journalists often exaggerate to, you know, to</p> <p>11 play their own book.</p> <p>12 <b>MR. FORD:</b> Rob, the question was at the</p> <p>13 time -- sorry. I was trying to help Nancy. The</p> <p>14 question was at the time of this article, did you</p> <p>15 believe or think that Honig was compensating John Ford?</p> <p>16 I think I got that right, Nancy; is that fair?</p> <p>17 <b>THE WITNESS:</b> Absolutely not.</p> <p>18 <b>MS. BROWN:</b> I said -- I said suspected.</p> <p>19 <b>MR. FORD:</b> Okay. Yes. Suspected.</p> <p>20 <b>BY MS. BROWN:</b></p> <p>21 <b>Q.</b> And your answer is absolutely not?</p> <p>22 <b>A.</b> That I suspected Honig? Or that I suspected</p> <p>23 an investor?</p> <p>24 <b>Q.</b> Correct. Had compensated Mr. Ford.</p> <p>25 <b>A.</b> I don't remember, but I think what I do know</p> <p style="text-align: center;">241</p>	<p>1 he says, "I am not receiving compensation for it --"</p> <p>2 meaning the article -- "other than from 'Seeking</p> <p>3 Alpha'."</p> <p>4 <b>A.</b> Yes. "I am long MGT, PTNT, I wrote this</p> <p>5 article myself."</p> <p>6 <b>Yep.</b> I see that.</p> <p>7 <b>Q.</b> Okay. Did you ever talk to Mr. Honig about</p> <p>8 your suspicions that he or some other MGT investor might</p> <p>9 have paid Ford to write this piece?</p> <p>10 <b>A.</b> No.</p> <p>11 <b>Q.</b> Did you talk to anyone else about that</p> <p>12 suspicion?</p> <p>13 <b>A.</b> Not to -- not that I recall.</p> <p>14 <b>Q.</b> Did you tell your board about that suspicion?</p> <p>15 <b>A.</b> I don't think so.</p> <p>16 <b>Q.</b> And at some point you believed that Ford may</p> <p>17 have been receiving compensation from Honig for articles</p> <p>18 he had written on other companies that Honig was</p> <p>19 involved with; isn't that right?</p> <p>20 <b>A.</b> At that time or now after reading the</p> <p>21 complaint?</p> <p>22 <b>After reading the complaint --</b></p> <p>23 <b>Q.</b> Well --</p> <p>24 <b>A.</b> -- as I said, everything you're implying makes</p> <p>25 sense in hindsight, but I did not research all of John</p> <p style="text-align: center;">243</p>
<p>1 is that that's a common approach of somebody long in the</p> <p>2 stock to get an article written.</p> <p>3 <b>Q.</b> All right. So let's turn to Ladd Exhibit 302</p> <p>4 again.</p> <p>5 <b>A.</b> Mmmm-hmmm.</p> <p>6 <b>Q.</b> And directing your attention to page 5 of 9 --</p> <p>7 <b>A.</b> Mmmm-hmmm.</p> <p>8 <b>Q.</b> -- the first full paragraph reads, "When Ladd</p> <p>9 first saw Ford's article in 2013, he suspected that Ford</p> <p>10 may have been compensated by Honig or other MGT</p> <p>11 investors to write the article."</p> <p>12 Did you say that in words or substance to the</p> <p>13 FBI in March 2018?</p> <p>14 <b>A.</b> Yeah. I think it's -- right. So this is how</p> <p>15 the FBI took it down, and I don't think it's different</p> <p>16 than what I just said now.</p> <p>17 <b>Q.</b> Okay. And if we look at -- back to Holmes</p> <p>18 Exhibit 15, which is the document behind tab 60,</p> <p>19 Mr. Ford doesn't disclose that he's been compensated; is</p> <p>20 that fair?</p> <p>21 <b>A.</b> Just from memory of reading these, I believe</p> <p>22 he said he's long to the stock.</p> <p>23 <b>Q.</b> Okay.</p> <p>24 <b>A.</b> His disclosure.</p> <p>25 <b>Q.</b> If you turn to page 3 of 7 under "Disclosure"</p> <p style="text-align: center;">242</p>	<p>1 Ford's articles and see if they correlated with a Honig</p> <p>2 ownership or anything.</p> <p>3 <b>Q.</b> Okay. Well, prior to reading our complaint,</p> <p>4 didn't you have that view that Mr. Ford might have been</p> <p>5 compensated by Honig or others to write articles about</p> <p>6 Honig's company?</p> <p>7 <b>A.</b> I think what I stated, it's a very common</p> <p>8 practice, yes.</p> <p>9 <b>Q.</b> Okay. And, in fact, in the ATG versus MGT</p> <p>10 lawsuit, didn't you suggest that Mr. Ford had knowledge</p> <p>11 of Honig's potential wrongdoing in connection with</p> <p>12 promotions?</p> <p>13 <b>A.</b> ATG versus?</p> <p>14 <b>Q.</b> MGT.</p> <p>15 (Deposition Exhibit 61 marked.)</p> <p>16 <b>Q.</b> Well, let's go to the exhibit behind tab 61,</p> <p>17 which is the document we've marked as Ladd Exhibit 61.</p> <p>18 And I'll just, for the record, state that it is an</p> <p>19 initial disclosure made in a lawsuit captioned ATG</p> <p>20 Capital LLC, et al. versus MGT Capital Investments, Inc.</p> <p>21 Do you see that?</p> <p>22 <b>A.</b> Yes.</p> <p>23 <b>Q.</b> And did you have some role in working with the</p> <p>24 lawyers in the preparation of filings and other</p> <p>25 materials in that lawsuit?</p> <p style="text-align: center;">244</p>



<p>1 Exhibit 102 Email chain, with top email from 387 Jonathan Schechter to Arthur Marcus, 2 dated April 4, 2013 3 Exhibit 104 Form S-1 394 4 5 6 PREVIOUSLY MARKED EXHIBITS REFERENCED 7 NO. PAGE 8 Exhibit 3 Email chain, with top email from 390 Robert Ladd, dated November 29, 2015 9 Exhibit 8 Onghai Exhibit 8 363 10 Exhibit 49 Email from Mr. Honig to Mr. Ladd 376 11 Exhibit 40 Form 10-K 399 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>340</p>	<p>1 and testified as follows: 2 3 EXAMINATION 4 BY MS. BROWN: 5 Q. Thank you. Good morning, Mr. Ladd. 6 A. Good morning. 7 Q. So can you tell me, at any time between 8 2012 and 2016, if you ever considered Mr. Honig to 9 be part of a group of investors who had agreed to 10 buy, hold, vote, or sell MGT shares? 11 A. So I understood that there was a group of 12 investors who invested together using a common 13 subscription agreement. However, all the 14 individuals were separate. They were represented 15 to me to not be acting as a legal group nor acting 16 in concert. 17 All monies came from different named 18 accounts, the same name as the person or the entity. 19 So that's a -- it's a longer answer than you asked, 20 but since the question asked if bought or sold or 21 voted or -- that they did commonly buy together. 22 Q. Thank you, sir. You said in your answer 23 that it had been represented to you that they 24 weren't acting as a legal group or acting in 25 concert. Who made those representations to you?</p> <p>342</p>
<p>1 Tuesday, November 10, 2020 2 10:04 a.m. 3 THE VIDEOGRAPHER: Here begins the 4 videotaped deposition of Robert Ladd, Volume 3, in 5 the matter of SEC versus Barry Honig, et al. This 6 case is being heard in the United States District 7 Court, Southern District of New York, Case Number 8 18 Civ. 8175 (ER) ECF. 9 This deposition is being held via Webex. 10 Today's date is November 10th, 2020, and the time on 11 the record is 10:04 a.m. 12 My name is Tim Hunter. I'm your legal 13 videographer. Our court reporter today is Grace 14 Chung. Counsel, would you please introduce 15 yourselves and state whom you represent for the 16 record, starting with the noticing counsel, and 17 witness will be sworn. 18 MS. BROWN: Thank you. Nancy Brown for 19 the Securities and Exchange Commission, and with me 20 is Jack Kauffman and Katherine Bromberg. 21 MR. FORD: Adam Ford on behalf of 22 defendant Robert Ladd. With me is my colleague, 23 Anjula Prasad. 24 ROBERT LADD, 25 having been first duly sworn, was examined</p> <p>341</p>	<p>1 A. So it was several. I mean, the investors 2 themselves and their subscription agreements 3 contractually represented that. Based on the 4 advice of my counsel, that was also a conclusion 5 that I was able to reach. 6 My counsel had the luxury, if you will, of 7 also having a partner who was counsel for that, for 8 Barry Honig, and that advice, or the outcome of that 9 advice, was also that they were not acting in 10 concert. 11 And then, lastly -- well, maybe not lastly, 12 but additionally, the New York Stock Exchange reviews 13 all issuances of stock. And they were very aware of 14 Mr. Honig and asked several questions of me, but 15 there was no evidence, either by previous actions or 16 by actions that I may have encountered personally, 17 that they acted in what I would call legally a 18 Section 13 group. 19 Q. Thank you. So are you waiving privilege 20 as to your communications with counsel about this 21 topic? 22 MR. FORD: Let me -- I want to be clear. 23 He's actually not waiving privilege. And I was 24 listening very closely, and what he testified to 25 was that he sought advice and that there was an</p> <p>343</p>

<p>1 outcome. And he was very careful to not describe 2 what the advice was, only that there was advice 3 obtained and an action occurred. So he's 4 absolutely not waiving privilege. 5 MS. BROWN: Thank you. 6 Q. And did you make any inquiry on your own 7 to determine whether or not Mr. Honig was acting as 8 part of a group other than what you've described 9 already, which is reviewing the subscription 10 agreements in which you read that there was some 11 sort of representation, that they were not, and 12 your conversations with counsel, whatever they may 13 have involved, and your comfort from the New York 14 Stock Exchange's -- what you perceived to be their 15 conclusion? 16 A. Did I do more than that, you're saying? 17 Q. Yes. Did you make any inquiry other than 18 that? 19 A. Not that I recall. 20 Q. And other than the conversations -- or the 21 consultation you had with counsel that you've 22 already discussed, did you discuss the issue of 23 whether Mr. Honig was acting as part of a group 24 with anyone? 25 A. I mean, there was a topic that, for lack</p> <p>344</p>	<p>1 financing, what inquiry, if any, did the New York 2 Stock Exchange make concerning any of the 3 investors' relationship to each other? 4 A. Is there a document to look at on that one 5 or -- 6 Q. Can you just tell me what you recall first 7 and then look at documents? 8 A. So what I recall is there was Hudson Bay, 9 Iriquois, and Barry Honig investing as part of the 10 same investment group. And I recall several 11 discussions with our analysts at New York Stock 12 Exchange to ensure that they were comfortable with 13 the representations of those investors, as well as 14 what other information they may have. And keep in 15 mind that a guy like Mr. Honig was on the board of 16 directors of several or at least few NASDAQ and New 17 York Stock Exchange companies. So there was 18 nothing that really jumped out at me to say that he 19 was doing something undisclosed. 20 And, again, the impact would be one of 21 Section 16. If they were deemed to be a group, they 22 would become de facto affiliates by owning more than 23 10 percent. At that time, any short swing profits 24 become the property of the company. 25 So from an economic model, that's something</p> <p>346</p>
<p>1 of a better term, is an elephant in the room in 2 terms of all these investors, mainly for Section 13 3 purposes, need to be legally not a group; 4 otherwise, a company like ours could disgorge them 5 of any profits they make on a deal. And, 6 unfortunately, there's been no determination in 7 this case or in any other case that I'm aware of 8 that Mr. Honig acted as a group that would, under 9 securities laws, need to be disclosed. 10 Q. Okay. Thank you. So I just want to 11 restate what you said so I understand it, so 12 correct me if I've said it wrong. But from your 13 perspective, this was a continuing and very 14 important issue in your interactions with Mr. Honig 15 and the two investments he made in MGT, whether he 16 was part of a group? 17 A. I don't want to lead you to believe it was 18 important to me. I believe it was important to 19 them. 20 Q. Okay. 21 A. I was -- my concern would be that they can 22 exert no control over me. 23 Q. All right. So you mentioned the New York 24 Stock Exchange. Let's talk about that for a 25 minute. In connection with the October 2012</p> <p>345</p>	<p>1 that New York Stock Exchange, I'm pretty certain, had 2 under investigation. And in this specific case, 3 again, it was Hudson Bay, Iriquois, and Barry Honig 4 being the three together that would be considered a 5 group under securities laws. 6 Q. Thank you. All right. Just one more 7 question on the advice topic. I just want to nail 8 down with whom you -- or from whom you received 9 whatever advice you received on the group issue. 10 A. You mean what lawyer? 11 Q. Yes. 12 A. So there were -- I believe there were at 13 Sichenzia, but they were the counsel of MGT, a guy 14 by the name of Arthur Marcus and then Jay Kaplowitz 15 as well. 16 Q. All right. You received this advice in 17 2012, prior to signing the stock purchase 18 agreements with Mr. Honig and others? 19 A. Yes. 20 Q. Thank you. All right. So let's look at 21 exhibit -- tab behind 86, which we marked as Ladd 22 Exhibit 86. 23 (Deposition Exhibit 86 was marked for 24 identification by the reporter and is 25 attached hereto.)</p> <p>347</p>

<p>1 BY MS. BROWN:</p> <p>2 Q. Right. So, in fact, Barry Honig's brother</p> <p>3 was also an investor; right?</p> <p>4 A. Yes. And that was disclosed, that he was</p> <p>5 an investor. So maybe not on this email, but in a</p> <p>6 subsequent email.</p> <p>7 But as Mr. Ford stated, "related party,"</p> <p>8 understanding at that time and then subsequently</p> <p>9 detailed, meant related party as it relates to MGT.</p> <p>10 Q. Right. And you explained that in what was</p> <p>11 marked as Ladd Exhibit 88, which is behind Tab 88.</p> <p>12 So why don't you look at that.</p> <p>13 A. Okay.</p> <p>14 (Deposition Exhibit 88 was marked for</p> <p>15 identification by the reporter and is</p> <p>16 attached hereto.)</p> <p>17 BY MS. BROWN:</p> <p>18 Q. So Ladd Exhibit 88, the first email is</p> <p>19 from you, dated October 24, 2012, to Mr. Machado</p> <p>20 and others.</p> <p>21 And do you recognize that email as an email</p> <p>22 from yourself to Mr. Machado?</p> <p>23 A. Yes.</p> <p>24 Q. And prior to that email, if you look down</p> <p>25 the page, is an email from Mr. Machado on</p> <p>352</p>	<p>1 Q. Okay. So Mr. Kesner, as you understood</p> <p>2 it, was Barry Honig's attorney?</p> <p>3 A. Correct.</p> <p>4 Q. And did you do anything to verify that</p> <p>5 Jonathan Honig and Barry Honig were separate</p> <p>6 investment entities?</p> <p>7 A. So, again, they represented to the company</p> <p>8 that they were separate. And in the case of funds,</p> <p>9 I believe this deal was --</p> <p>10 (Reporter interruption for clarification</p> <p>11 of the record.)</p> <p>12 A. Funding. I believe this transaction</p> <p>13 closed in escrow, so Sichenzia would have seen if,</p> <p>14 for example, those two investments came from the</p> <p>15 same place and would have an obligation to tell me.</p> <p>16 BY MS. BROWN:</p> <p>17 Q. And did you ever speak to Jonathan Honig</p> <p>18 in connection with negotiation of the 2012</p> <p>19 financing?</p> <p>20 A. Not that I recall.</p> <p>21 Q. Okay. So let's talk a little bit about</p> <p>22 that negotiation. So who put the investors</p> <p>23 together that participated in the 2012 financing?</p> <p>24 A. I believe Chardan Capital was involved.</p> <p>25 Q. Okay. Did they -- did they pull the</p> <p>354</p>
<p>1 October 24th. It looks like he's following up on</p> <p>2 your answers that we looked at in Ladd 87, and he</p> <p>3 says, "Rob, Is there any relationship between</p> <p>4 Jonathan Honig and Barry Honig?"</p> <p>5 And you respond, "In answer to your</p> <p>6 question yesterday, the answer to related party was</p> <p>7 no, using the definition of 'related' to mean</p> <p>8 insiders or affiliates of MGT." And then you write,</p> <p>9 "The company has been informed that Barry and</p> <p>10 Jonathan are separate investment entities with</p> <p>11 separate funding." Do you see that?</p> <p>12 A. Uh-huh.</p> <p>13 Q. All right. And what does that mean, that</p> <p>14 the company has been informed? From whom did the</p> <p>15 company get that information?</p> <p>16 A. I believe from our attorneys. And, again,</p> <p>17 the attorneys are also the attorneys of Honig. I</p> <p>18 guess Honig is not that common a name. So it would</p> <p>19 be a pretty easy exercise to discern.</p> <p>20 Q. Well, let's back up a minute. The</p> <p>21 attorneys that you are talking about who are also</p> <p>22 the attorneys of Barry Honig, who are they? Mr.</p> <p>23 Marcus and Mr. Kaplowitz?</p> <p>24 A. I'm sorry. That's a guy by the name of</p> <p>25 Harvey Kesner.</p> <p>353</p>	<p>1 investors together?</p> <p>2 A. Yes, as far as I remember.</p> <p>3 Q. Let's look at Ladd Exhibit 91, just behind</p> <p>4 Tab 91.</p> <p>5 (Deposition Exhibit 91 was marked for</p> <p>6 identification by the reporter and is</p> <p>7 attached hereto.)</p> <p>8 MS. BROWN: And for the record, Ladd</p> <p>9 Exhibit 91 is an October 21, 2012, email from Barry</p> <p>10 Honig to Rob Ladd and others.</p> <p>11 Q. Mr. Ladd, do you recognize Ladd Exhibit 91</p> <p>12 as an email you received from Mr. Honig?</p> <p>13 A. Yes.</p> <p>14 Q. Apart from Hudson Bay and Iriquois, on</p> <p>15 this list of investors that you see Mr. Honig is</p> <p>16 forwarding to you with dollar amounts next to each,</p> <p>17 which of these were brought to the deal by Chardan?</p> <p>18 A. So let me go back and speak to Chardan.</p> <p>19 And unless I go back and research it, I won't be</p> <p>20 sure, but Chardan provided the, I think, 2011</p> <p>21 financing with Hudson Bay. When that was</p> <p>22 terminated, it was this next investment, which I</p> <p>23 believe I got mad at Chardan for bringing in money</p> <p>24 only to have us rescind or pay back that money, and</p> <p>25 then they wanted to get paid on this deal also.</p> <p>355</p>



<p>1 And I think I refused to pay them, which 2 led to bad blood, but I don't -- I don't remember 3 exactly. But a firm like Chardan would have, you 4 know, five customers to go to. Those three -- 5 several others, I'm sure you are aware of. Heights 6 or -- you know, there is a limited universe. But -- 7 <b>Q.</b> Understood, but my question was not that. 8 Do you recall my question? My question was -- 9 <b>A.</b> Yes. So -- 10 <b>Q.</b> -- which of this list of investors was 11 brought to you by Chardan other than Hudson Bay and 12 Iriquois? 13 <b>A.</b> So what I don't know is who White Trout 14 is. I think Sandor is a Honig connection. 15 Because of the names in the email, Mark 16 Groussman, I know, is a coinvestor with Honig. Bay 17 Capital, I don't know who they are. Ron Lowe -- 18 well, it says it's Jonathan Honig's contact, so I 19 guess it explains that. And I think Suzanne Adams 20 may have been a relative, a cousin or something of 21 Honig. Or maybe that was Jill Strauss. So -- and 22 those two had the same contact information. 23 <b>Q.</b> Okay. Well, looking at Ladd Exhibit 91, 24 Mr. Honig says, "Rob, Below is the investor list 25 for the preferred and the RD." And what's the RD?</p> <p>356</p>	<p>1 <b>Q.</b> And Miramar investors. Do you know who 2 that is? 3 <b>A.</b> Not as I sit here. 4 <b>Q.</b> All right. And who determined the 5 allocations of the investors who ultimately 6 invested in the 2012 financing? 7 <b>A.</b> Well, as I recall, because of the success 8 Honig has with investments, that he chooses those 9 people to invest with him. So, as I said, they all 10 invest with the common subscription agreement. 11 But, you know, if we substitute the name "Honig" 12 for "Chardan," you know, Honig operates as an 13 investment banker, at least in his mind. 14 <b>Q.</b> Why would we substitute the name Honig for 15 Chardan? 16 <b>A.</b> Because Honig fancied himself an 17 investment banker, and Chardan is a pretty 18 low-level investment banker. 19 <b>Q.</b> Okay. Let's look at Ladd Exhibit 92, 20 which is behind Tab Exhibit 92. 21 (Deposition Exhibit 92 was marked for 22 identification by the reporter and is 23 attached hereto.) 24 <b>MS. BROWN:</b> It purports to be -- the top 25 email purports to be from you to Harvey Kesner,</p> <p>358</p>
<p>1 <b>A.</b> That's registered direct. 2 <b>Q.</b> Okay. And so it's fair to say that he's 3 putting together this list and sending it to you -- 4 is that right? -- not Chardan? 5 <b>A.</b> Yes. 6 <b>Q.</b> And you understood that Hunter Adams was 7 Mr. Honig's cousin. Is that right? 8 <b>A.</b> I don't think Hunter Adams. I thought it 9 was Jill Strauss, but sitting here right now, I 10 don't remember exactly. 11 <b>Q.</b> All right. And Alex Burger, that's not a 12 name you are familiar with? 13 <b>A.</b> White Trout, no. 14 <b>Q.</b> Well, I asked you about Alex Burger. So 15 is that a name you are familiar with? 16 <b>A.</b> Oh. No. 17 <b>Q.</b> All right. And John Stetson, he works 18 with Barry Honig; correct? 19 <b>A.</b> Yes. 20 <b>Q.</b> All right. And turning the page, what 21 about Jonathan Honig? We have already discussed 22 him; right? 23 <b>A.</b> Right. 24 <b>Q.</b> He's related to Barry Honig? 25 <b>A.</b> Uh-huh.</p> <p>357</p>	<p>1 Tara Guarneri-Ferrara, and Susanna Aronbayev, dated 2 October 23, 2012. 3 <b>Q.</b> Do you recognize this as an email that you 4 sent on or about that date? 5 <b>A.</b> Yes. 6 <b>Q.</b> And who's Tara Guarneri-Ferrara? 7 <b>A.</b> I think she's an attorney at Sichenzia. 8 <b>Q.</b> Does she work with Mr. Kaplowitz and 9 Mr. Marcus? 10 <b>A.</b> So I think she worked with Harvey, but I'm 11 not sure. 12 <b>Q.</b> But with Mr. Kesner? 13 <b>A.</b> And that reminded me. I wanted to point 14 out that in this deal, I believe Kesner was 15 representing investors. So that's why they were 16 involved on it -- or involved, you know, in the 17 email chains. 18 <b>Q.</b> Do you know who Susanna -- I'm not going 19 to try to say her last name again, but also on the 20 email, do you know who she is? 21 <b>A.</b> I don't. 22 <b>Q.</b> All right. So if we can turn the page on 23 this exhibit and start with the second-to-last one, 24 which is from Mr. Kesner to Ms. Guarneri-Ferrara 25 and Susanna. And he writes, "Tara, you should</p> <p>359</p>